

Dear Mr. Bloom,

When DSRA's Paul Dobosz met with you in Washington as part of the salaried automotive retiree group late in April, you indicated that preservation of pension plans was a high priority for you. You also emphasized that you were looking for reasonable solutions despite a very difficult set of circumstances. I am contacting you today because we have been advised by reliable sources that a decision on the disposition of the Delphi salaried pension plan is imminent and that now is the time to take action if a turnover to the PBGC is to be avoided. Delphi salaried retirees need task force assistance at this time to help avoid this additional blow to a group that is already hurting badly from the loss of health and life insurance benefits. We would propose, as a reasonable solution, best for all involved that GM roll the Delphi Pension fund and Salaried retirees into the GM Salaried retirees Pension fund and program **as most if not all are previous GM employees with over 30 years seniority.**

Here is a summary of facts concerning the current situation:

- The Delphi Salaried Pension Plan is underfunded by approximately \$2 billion which Delphi is unlikely to be able to make up anytime soon.
- Virtually all of the plan's participants worked over 2/3 (25+yrs) of their career as GM salaried employees some spending as little as a few months as Delphi employees prior to retirement.
- The GM salaried pension plan is far better funded than the Delphi plan so folding the Delphi salaried pension plan into GM's plan is a reasonable move from both a financial and **ethical** standpoint.

We believe that what we propose is in the best interest of all stakeholders in the GM/Delphi restructuring process for the following reasons:

- Delphi salaried retirees have already suffered **disproportionate*** losses with respect to their auto industry peers and should at least have their pensions preserved.
- Delphi cannot emerge from Chapter 11 without resolving the salaried pension issue therefore they must either turn pensions over to PBGC or **return them to GM from where the original liability came.**
- PBGC currently holds liens on many assets that Delphi needs to sell to emerge from Chapter 11. This action would clear those liens enabling Delphi to proceed with its reorganization.
- GM currently intends to purchase several of the Delphi assets with PBGC liens. This action would also allow those acquisitions to proceed unimpeded.
- PBGC will avoid the assumption of another large underfunded pension plan.

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- The US Treasury will collect additional taxes on the increased pension amounts paid to retirees over the lifetime of the annuities.

In closing, I ask you to use your considerable influence in the restructuring process to achieve the transfer of the Delphi Salaried pension plan back to GM from where it originated. GM has played a significant role in Delphi's salaried retirees' current troubled situation starting with the Separation Agreement, imposing their handpicked management team **who illegally misrepresented the company by cooking the books**, and saddling Delphi with non competitive supply **and labor** contracts. I hope you will recognize that the deck was stacked against Delphi's salaried retirees at the spinoff and do what is both reasonable and right. **It is interesting to note that only the plants and salaried employees were transferred to the new Delphi corporation and not the hourly UAW employees. Now GM wants to buy part of the plants back but not their previous salaried employees and retirees. Is this a legal maneuver to eliminate the pension obligations?**

Sincerely,

Delphi Salaried Retiree Association

*It is interesting that the Obama administration is subverting the normal bankruptcy process of voiding labor contracts and paying off the superior bond holders. **The administration is holding the labor contracts superior to the bond holders**, which is changing bankruptcy procedures forever in the future. They are arm twisting the law to change it. The executive branch is not empowered to change laws. **Constitutionally** the legislative branch is only empowered to change laws. Not only are the UAW employees and retirees able to retain their health care and pension through their contract (which should be voided) but **now they will also own part of the new company!!!** (ironically more than the bond holders) It is very obvious that the Obama administration is favoring a **large campaign contribution by the UAW** and leaving the others concerned to fend for themselves without regard to equality of treatment.